



ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2017
OF THE CONDITION AND AFFAIRS OF THE

Upper Peninsula Health Plan, LLC

NAIC Group Code 00000 , 00000 NAIC Company Code 52615 Employer's ID Number 46-0927995
(Current Period) (Prior Period)

Organized under the Laws of Michigan , State of Domicile or Port of Entry Michigan

Country of Domicile United States

Licensed as business type: Life, Accident & Health [] Property/Casualty [] Hospital, Medical & Dental Service or Indemnity []
Dental Service Corporation [] Vision Service Corporation [] Health Maintenance Organization [X]
Other [] Is HMO, Federally Qualified? Yes [] No [X]

Incorporated/Organized 10/23/1997 Commenced Business 08/01/1998

Statutory Home Office 853 W. Washington St. , Marquette, MI, US 49855
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 853 W. Washington St.
(Street and Number)

Marquette, MI, US 49855 906-225-7500
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 853 W. Washington St. , Marquette, MI, US 49855
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 853 W. Washington St.
(Street and Number)

Marquette, MI, US 49855 906-225-7500
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number) (Extension)

Internet Web Site Address uphp.com

Statutory Statement Contact Leslie Ellen Luke , 906-225-7500
(Name) (Area Code) (Telephone Number) (Extension)

lluke@uphp.com 906-225-8687
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
<u>Dennis Harold Smith</u> ,	<u>President</u>	<u>Leslie Ellen Luke</u> ,	<u>Treasurer</u>
<u>Johanna Marie Novak</u> ,	<u>Secretary</u>	<u>Melissa Ann Holmquist #</u> ,	<u>Chief Operating Officer</u>

OTHER OFFICERS

_____ , _____ , _____

DIRECTORS OR TRUSTEES

<u>Michelle Marie Tavernier</u>	<u>David Barry Jahn</u>	<u>John Joseph Schon</u>	<u>Donald Michael Pawelski #</u>
<u>Robert Conrad Deese #</u>	<u>Charles Edward Nelson</u>	<u>Robert Vincent Vairo</u>	<u>Scott Frederick Pillion</u>
<u>Brian Robert Sinotte #</u>	_____	_____	_____

State of Michigan.....
County of Marquette.....

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The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions* and *Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

<u>Dennis Harold Smith</u> President	<u>Leslie Ellen Luke</u> Treasurer	<u>Johanna Marie Novak</u> Secretary
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Subscribed and sworn to before me this 19th day of February, 2018

a. Is this an original filing? Yes [X] No []
b. If no:
1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

Tanya M. Jennings, Director of Human Resources
October 11, 2019

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	19,198,351		19,198,351	13,073,052
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	0		0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....	12,047,264		12,047,264	12,392,213
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$40,581,855 , Schedule E-Part 1), cash equivalents (\$0 , Schedule E-Part 2) and short-term investments (\$10,795,607 , Schedule DA).....	51,377,462		51,377,462	45,536,738
6. Contract loans (including \$ premium notes).....			0	0
7. Derivatives (Schedule DB).....	0		0	0
8. Other invested assets (Schedule BA)	0		0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets (Schedule DL).....			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	82,623,077	0	82,623,077	71,002,003
13. Title plants less \$ charged off (for Title insurers only).....			0	0
14. Investment income due and accrued	155,200		155,200	113,735
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	10,026,054		10,026,054	9,858,334
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums).....			0	0
15.3 Accrued retrospective premiums (\$775,000) and contracts subject to redetermination (\$)	775,000		775,000	607,000
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	0
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans	408,000		408,000	651,000
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset.....			0	0
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software.....	409,607	48,807	360,800	410,712
21. Furniture and equipment, including health care delivery assets (\$)	652,639	652,639	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates			0	0
24. Health care (\$116,364) and other amounts receivable.....	1,751,628	1,635,264	116,364	0
25. Aggregate write-ins for other-than-invested assets	996,389	988,626	7,763	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	97,797,594	3,325,336	94,472,258	82,642,784
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
28. Total (Lines 26 and 27)	97,797,594	3,325,336	94,472,258	82,642,784
DETAILS OF WRITE-INS				
1101.			0	0
1102.			0	0
1103.			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Prepays.....	938,715	938,715	0	0
2502. Vehicles.....	49,911	49,911	0	0
2503. Other Receivables.....	7,763		7,763	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	996,389	988,626	7,763	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$338,381 reinsurance ceded)	.....35,719,043		.....35,719,043	.....34,721,252
2. Accrued medical incentive pool and bonus amounts .....			.....0	.....0
3. Unpaid claims adjustment expenses .....	.....223,000		.....223,000	.....228,000
4. Aggregate health policy reserves, including the liability of \$ for medical loss ratio rebate per the Public Health Service Act.....			.....0	.....0
5. Aggregate life policy reserves .....			.....0	.....0
6. Property/casualty unearned premium reserves .....			.....0	.....0
7. Aggregate health claim reserves.....			.....0	.....0
8. Premiums received in advance .....			.....0	.....19,206
9. General expenses due or accrued .....	.....2,081,390		.....2,081,390	.....2,298,329
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses)).....			.....0	.....0
10.2 Net deferred tax liability .....			.....0	.....0
11. Ceded reinsurance premiums payable .....			.....0	.....0
12. Amounts withheld or retained for the account of others .....			.....0	.....0
13. Remittances and items not allocated .....			.....0	.....0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current) .....			.....0	.....0
15. Amounts due to parent, subsidiaries and affiliates .....			.....0	.....0
16. Derivatives.....		.....0	.....0	.....0
17. Payable for securities .....			.....0	.....0
18. Payable for securities lending .....			.....0	.....0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$ unauthorized reinsurers and \$ certified reinsurers).....			.....0	.....0
20. Reinsurance in unauthorized and certified (\$) companies.....			.....0	.....0
21. Net adjustments in assets and liabilities due to foreign exchange rates .....			.....0	.....0
22. Liability for amounts held under uninsured plans .....	.....1,297,000		.....1,297,000	.....691,000
23. Aggregate write-ins for other liabilities (including \$ current) .....	.....0	.....0	.....0	.....0
24. Total liabilities (Lines 1 to 23).....	.....39,320,433	.....0	.....39,320,433	.....37,957,787
25. Aggregate write-ins for special surplus funds .....	.....XXX	.....XXX	.....4,252,910	.....0
26. Common capital stock .....	.....XXX	.....XXX		.....0
27. Preferred capital stock .....	.....XXX	.....XXX		.....0
28. Gross paid in and contributed surplus .....	.....XXX	.....XXX	.....3,582,870	.....3,582,870
29. Surplus notes .....	.....XXX	.....XXX		.....0
30. Aggregate write-ins for other-than-special surplus funds .....	.....XXX	.....XXX	.....0	.....0
31. Unassigned funds (surplus) .....	.....XXX	.....XXX	.....47,316,045	.....41,102,127
32. Less treasury stock, at cost: 32.1 .....shares common (value included in Line 26 \$ ..... ) .....	.....XXX	.....XXX		.....0
32.2 .....shares preferred (value included in Line 27 \$ ..... ) .....	.....XXX	.....XXX		.....0
33. Total capital and surplus (Lines 25 to 31 minus Line 32) .....	.....XXX	.....XXX	.....55,151,825	.....44,684,997
34. Total liabilities, capital and surplus (Lines 24 and 33)	.....XXX	.....XXX	.....94,472,258	.....82,642,784
DETAILS OF WRITE-INS				
2301. ....			.....0	.....0
2302. ....			.....0	.....0
2303. ....			.....0	.....0
2398. Summary of remaining write-ins for Line 23 from overflow page .....	.....0	.....0	.....0	.....0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	.....0	.....0	.....0	.....0
2501. ACA Tax.....	.....XXX	.....XXX	.....4,252,910	.....0
2502. ....	.....XXX	.....XXX		.....0
2503. ....	.....XXX	.....XXX		.....0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	.....XXX	.....XXX	.....0	.....0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	.....XXX	.....XXX	.....4,252,910	.....0
3001. ....	.....XXX	.....XXX		.....0
3002. ....	.....XXX	.....XXX		.....0
3003. ....	.....XXX	.....XXX		.....0
3098. Summary of remaining write-ins for Line 30 from overflow page .....	.....XXX	.....XXX	.....0	.....0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	.....XXX	.....XXX	.....0	.....0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	588,689	566,438
2. Net premium income (including \$0 non-health premium income).....	XXX	292,623,162	283,599,869
3. Change in unearned premium reserves and reserve for rate credits	XXX		0
4. Fee-for-service (net of \$ medical expenses)	XXX		0
5. Risk revenue	XXX		0
6. Aggregate write-ins for other health care related revenues	XXX	86,094	158,400
7. Aggregate write-ins for other non-health revenues	XXX	89,354	(155,667)
8. Total revenues (Lines 2 to 7)	XXX	292,798,610	283,602,602
Hospital and Medical:			
9. Hospital/medical benefits		197,553,922	186,446,295
10. Other professional services		21,433,118	19,127,360
11. Outside referrals			0
12. Emergency room and out-of-area		8,662,754	8,023,310
13. Prescription drugs		36,225,684	32,137,838
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....			0
16. Subtotal (Lines 9 to 15)	0	263,875,478	245,734,803
Less:			
17. Net reinsurance recoveries		338,381	0
18. Total hospital and medical (Lines 16 minus 17)	0	263,537,097	245,734,803
19. Non-health claims (net).....			0
20. Claims adjustment expenses, including \$712,180 cost containment expenses.....		1,626,829	1,576,489
21. General administrative expenses.....		16,517,675	27,829,621
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....		0	0
23. Total underwriting deductions (Lines 18 through 22)	0	281,681,601	275,140,913
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	11,117,009	8,461,689
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		842,950	416,236
26. Net realized capital gains (losses) less capital gains tax of \$			(1,128)
27. Net investment gains (losses) (Lines 25 plus 26)	0	842,950	415,108
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]		0	0
29. Aggregate write-ins for other income or expenses	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	11,959,959	8,876,797
31. Federal and foreign income taxes incurred	XXX		0
32. Net income (loss) (Lines 30 minus 31)	XXX	11,959,959	8,876,797
DETAILS OF WRITE-INS			
0601. Miscellaneous Revenue.....	XXX	86,094	158,400
0602.	XXX		0
0603.	XXX		0
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	86,094	158,400
0701. Gain/loss on asset disposal.....	XXX	(577)	(155,667)
0702. TIFP Revenue.....	XXX	89,931	0
0703.	XXX		0
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	89,354	(155,667)
1401.			0
1402.			0
1403.			0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0
2901.			0
2902.			0
2903.			0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	44,684,997	36,261,749
34. Net income or (loss) from Line 32	11,959,959	8,876,797
35. Change in valuation basis of aggregate policy and claim reserves		0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$		0
37. Change in net unrealized foreign exchange capital gain or (loss)		0
38. Change in net deferred income tax		0
39. Change in nonadmitted assets	(1,493,131)	(511,107)
40. Change in unauthorized and certified reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	0	0
43. Cumulative effect of changes in accounting principles		0
44. Capital Changes:		
44.1 Paid in	0	(3,582,870)
44.2 Transferred from surplus (Stock Dividend)		0
44.3 Transferred to surplus		0
45. Surplus adjustments:		
45.1 Paid in	0	3,582,870
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital		0
46. Dividends to stockholders		0
47. Aggregate write-ins for gains or (losses) in surplus	0	57,558
48. Net change in capital and surplus (Lines 34 to 47)	10,466,828	8,423,248
49. Capital and surplus end of reporting year (Line 33 plus 48)	55,151,825	44,684,997
DETAILS OF WRITE-INS		
4701. Prior period HICA tax adj.....		57,558
4702.		0
4703.		0
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	57,558

CASH FLOW

Cash from Operations		1 Current Year	2 Prior Year
1. Premiums collected net of reinsurance		292,268,236	273,136,688
2. Net investment income		1,196,151	483,732
3. Miscellaneous income		175,448	2,733
4. Total (Lines 1 through 3)		293,639,835	273,623,153
5. Benefit and loss related payments		262,539,306	245,906,609
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
7. Commissions, expenses paid and aggregate write-ins for deductions		17,517,441	29,359,905
8. Dividends paid to policyholders			0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)		0	0
10. Total (Lines 5 through 9)		280,056,747	275,266,514
11. Net cash from operations (Line 4 minus Line 10)		13,583,088	(1,643,361)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds		5,403,000	5,700,575
12.2 Stocks		0	0
12.3 Mortgage loans		0	0
12.4 Real estate		0	0
12.5 Other invested assets		0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		0	1
12.7 Miscellaneous proceeds		0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)		5,403,000	5,700,576
13. Cost of investments acquired (long-term only):			
13.1 Bonds		11,568,740	6,396,573
13.2 Stocks		0	0
13.3 Mortgage loans		0	0
13.4 Real estate		9,281	8,510,470
13.5 Other invested assets		0	0
13.6 Miscellaneous applications		0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)		11,578,021	14,907,043
14. Net increase (decrease) in contract loans and premium notes		0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)		(6,175,021)	(9,206,467)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes		0	0
16.2 Capital and paid in surplus, less treasury stock		0	0
16.3 Borrowed funds		0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities			0
16.5 Dividends to stockholders		0	0
16.6 Other cash provided (applied)		(1,567,343)	(597,085)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)		(1,567,343)	(597,085)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)		5,840,724	(11,446,913)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year		45,536,738	56,983,651
19.2 End of year (Line 18 plus Line 19.1)		51,377,462	45,536,738

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Upper Peninsula Health Plan, LLC

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	292,623,162	0	0	0	0	0	97,639,850	194,983,312	0	0
2. Change in unearned premium reserves and reserve for rate credit	0									
3. Fee-for-service (net of \$ medical expenses)	0									XXX
4. Risk revenue.....	0									XXX
5. Aggregate write-ins for other health care related revenues.....	86,094	0	0	0	0	0	80,414	5,680	0	XXX
6. Aggregate write-ins for other non-health care related revenues	89,354	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	89,354
7. Total revenues (Lines 1 to 6)	292,798,610	0	0	0	0	0	97,720,264	194,988,992	0	89,354
8. Hospital/medical benefits	197,553,922						74,443,492	123,110,430		XXX
9. Other professional services	21,433,118						9,019,955	12,413,163		XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	8,662,754						2,949,153	5,713,601		XXX
12. Prescription drugs	36,225,684						7,025,966	29,199,718		XXX
13. Aggregate write-ins for other hospital and medical.....	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts.....	0									XXX
15. Subtotal (Lines 8 to 14)	263,875,478	0	0	0	0	0	93,438,566	170,436,912	0	XXX
16. Net reinsurance recoveries	338,381							338,381		XXX
17. Total hospital and medical (Lines 15 minus 16)	263,537,097	0	0	0	0	0	93,438,566	170,098,531	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$ cost containment expenses.....	1,626,829						542,826	1,084,003		
20. General administrative expenses	16,517,674						6,922,352	9,595,322		
21. Increase in reserves for accident and health contracts	0									XXX
22. Increase in reserves for life contracts.....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	281,681,600	0	0	0	0	0	100,903,744	180,777,856	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	11,117,010	0	0	0	0	0	(3,183,480)	14,211,136	0	89,354
DETAILS OF WRITE-INS										
0501. Miscellaneous Revenue.....	86,094						80,414	5,680		XXX
0502.	0									XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	86,094	0	0	0	0	0	80,414	5,680	0	XXX
0601. Other non-health revenues.....	89,354	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	89,354
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page.....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	89,354	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	89,354
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1+2-3)
1. Comprehensive (hospital and medical) .....				.0
2. Medicare Supplement .....				.0
3. Dental only.....				.0
4. Vision only.....				.0
5. Federal Employees Health Benefits Plan .....				.0
6. Title XVIII - Medicare	97,685,821		45,971	97,639,850
7. Title XIX - Medicaid.....	195,437,726		454,414	194,983,312
8. Other health.....				.0
9. Health subtotal (Lines 1 through 8)	293,123,547	0	500,385	292,623,162
10. Life .....				.0
11. Property/casualty.....				.0
12. Totals (Lines 9 to 11)	293,123,547	0	500,385	292,623,162

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Upper Peninsula Health Plan, LLC

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 – CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non- Health
1. Payments during the year:										
1.1 Direct	264,290,934						87,632,566	176,658,368		
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	264,290,934	0	0	0	0	0	87,632,566	176,658,368	0	0
2. Paid medical incentive pools and bonuses	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	36,057,424	0	0	0	0	0	11,311,000	24,746,424	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	338,381	0	0	0	0	0	0	338,381	0	0
3.4 Net	35,719,043	0	0	0	0	0	11,311,000	24,408,043	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	0									
6. Net healthcare receivables (a).....	1,751,628							1,751,628		
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	34,721,252	0	0	0	0	0	5,505,000	29,216,252	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
8.4 Net	34,721,252	0	0	0	0	0	5,505,000	29,216,252	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	0	0	0	0	0	0	0	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0
12. Incurred benefits:										
12.1 Direct	263,875,478	0	0	0	0	0	93,438,566	170,436,912	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	338,381	0	0	0	0	0	0	338,381	0	0
12.4 Net	263,537,097	0	0	0	0	0	93,438,566	170,098,531	0	0
13. Incurred medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0	0

(a) Excludes \$ 0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1. Direct	5,193,021						2,236,647	2,956,374		
1.2. Reinsurance assumed	0									
1.3. Reinsurance ceded	0									
1.4. Net	5,193,021	0	0	0	0	0	2,236,647	2,956,374	0	0
2. Incurred but Unreported:										
2.1. Direct	30,758,099						9,074,353	21,683,746		
2.2. Reinsurance assumed	0									
2.3. Reinsurance ceded	338,381							338,381		
2.4. Net	30,419,718	0	0	0	0	0	9,074,353	21,345,365	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1. Direct	106,304							106,304		
3.2. Reinsurance assumed	0									
3.3. Reinsurance ceded	0									
3.4. Net	106,304	0	0	0	0	0	0	106,304	0	0
4. TOTALS:										
4.1. Direct	36,057,424	0	0	0	0	0	11,311,000	24,746,424	0	0
4.2. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3. Reinsurance ceded	338,381	0	0	0	0	0	0	338,381	0	0
4.4. Net	35,719,043	0	0	0	0	0	11,311,000	24,408,043	0	0

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)					0	0
2. Medicare Supplement					0	0
3. Dental Only.....					0	0
4. Vision Only.....					0	0
5. Federal Employees Health Benefits Plan					0	0
6. Title XVIII - Medicare	9,014,219	78,618,347	57,000	11,254,000	9,071,219	5,505,000
7. Title XIX - Medicaid.....	20,008,382	156,649,987	(34,000)	24,442,044	19,974,382	29,216,253
8. Other health					0	0
9. Health subtotal (Lines 1 to 8).....	29,022,601	235,268,334	23,000	35,696,044	29,045,601	34,721,253
10. Healthcare receivables (a).....				1,751,628	0	0
11. Other non-health.....					0	0
12. Medical incentive pools and bonus amounts					0	0
13. Totals (Lines 9-10+11+12)	29,022,601	235,268,334	23,000	33,944,416	29,045,601	34,721,253

(a) Excludes \$ loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(\$000 Omitted)

Section A – Paid Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	2,311	2,311	2,311	2,311	2,311
2. 2013	564	709	709	709	709
3. 2014	XXX	1,089	1,201	1,201	1,201
4. 2015	XXX	XXX	1,530	1,530	1,530
5. 2016	XXX	XXX	XXX	.0	.0
6. 2017	XXX	XXX	XXX	XXX	0

Section B – Incurred Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	3,085	3,085	3,085	3,085	3,085
2. 2013	664	809	809	809	809
3. 2014	XXX	1,220	1,332	1,332	1,332
4. 2015	XXX	XXX	1,399	1,399	1,399
5. 2016	XXX	XXX	XXX	.0	.0
6. 2017	XXX	XXX	XXX	XXX	0

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Hospital and Medical

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2013.....	827	709	7	1.0	716	86.6	.0	.0	716	86.6
2. 2014.....	1,844	1,201	14	1.2	1,215	65.9	.0	.0	1,215	65.9
3. 2015.....	2,418	1,530	13	0.8	1,543	63.8	.0	.0	1,543	63.8
4. 2016.....	.0	.0	.0	0.0	.0	0.0	.0	.0	.0	0.0
5. 2017	0	0	0	0.0	0	0.0	0	0	0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(\$000 Omitted)

Section A - Paid Health Claims - Medicare

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	5,043	5,043	5,043	5,043	5,043
2. 2013	4,912	5,600	5,600	4,600	4,600
3. 2014	XXX	5,854	6,924	6,924	6,924
4. 2015	XXX	XXX	26,223	32,845	32,845
5. 2016	XXX	XXX	XXX	34,992	44,006
6. 2017	XXX	XXX	XXX	XXX	78,618

Section B - Incurred Health Claims - Medicare

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	3,225	3,225	3,225	3,225	3,225
2. 2013	4,125	4,799	4,799	4,799	4,799
3. 2014	XXX	5,050	6,124	6,124	6,124
4. 2015	XXX	XXX	31,052	37,682	37,682
5. 2016	XXX	XXX	XXX	34,838	43,909
6. 2017	XXX	XXX	XXX	XXX	84,367

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Medicare

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2013.....	5,117	4,600	43	0.9	4,643	90.7	0	0	4,643	90.7
2. 2014.....	6,595	6,924	50	0.7	6,974	105.7	0	0	6,974	105.7
3. 2015.....	31,192	32,845	171	0.5	33,016	105.8	0	0	33,016	105.8
4. 2016.....	52,854	44,006	290	0.7	44,296	83.8	57	0	44,353	83.9
5. 2017	97,640	78,618	542	0.7	79,160	81.1	11,254	0	90,414	92.6

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(\$000 Omitted)

Section A - Paid Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	650,997	650,997	650,997	650,997	650,997
2. 2013	83,361	93,169	93,169	93,169	93,169
3. 2014	XXX	102,565	117,319	117,319	117,319
4. 2015	XXX	XXX	151,350	175,419	175,419
5. 2016	XXX	XXX	XXX	180,223	200,232
6. 2017	XXX	XXX	XXX	XXX	156,650

Section B – Incurred Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	678,727	678,727	678,727	678,727	678,727
2. 2013	94,281	104,089	104,089	104,089	104,089
3. 2014	XXX	122,466	137,243	137,243	137,243
4. 2015	XXX	XXX	160,668	184,745	184,745
5. 2016	XXX	XXX	XXX	180,189	200,164
6. 2017	XXX	XXX	XXX	XXX	150,124

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Title XIX Medicaid

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2013.....	101,202	93,169	847	0.9	94,016	92.9	0	0	94,016	92.9
2. 2014.....	141,853	117,319	1,076	0.9	118,395	83.5	0	0	118,395	83.5
3. 2015.....	214,152	175,419	1,173	0.7	176,592	82.5	0	0	176,592	82.5
4. 2016.....	234,089	200,232	1,286	0.6	201,518	86.1	(34)	0	201,484	86.1
5. 2017	194,988	156,650	1,085	0.7	157,735	80.9	24,442	223	182,400	93.5

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(\$000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	658,351	658,351	658,351	658,351	658,351
2. 2013	88,837	99,478	99,478	98,478	98,478
3. 2014	XXX	109,508	125,444	125,444	125,444
4. 2015	XXX	XXX	179,103	209,794	209,794
5. 2016	XXX	XXX	XXX	215,215	244,238
6. 2017	XXX	XXX	XXX	XXX	235,268

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	685,037	685,037	685,037	685,037	685,037
2. 2013	99,070	109,697	109,697	109,697	109,697
3. 2014	XXX	128,736	144,699	144,699	144,699
4. 2015	XXX	XXX	193,119	223,826	223,826
5. 2016	XXX	XXX	XXX	215,027	244,073
6. 2017	XXX	XXX	XXX	XXX	234,491

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Grand Total

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2013	107,146	98,478	897	0.9	99,375	92.7	0	0	99,375	92.7
2. 2014	150,292	125,444	1,140	0.9	126,584	84.2	0	0	126,584	84.2
3. 2015	247,762	209,794	1,357	0.6	211,151	85.2	0	0	211,151	85.2
4. 2016	286,943	244,238	1,576	0.6	245,814	85.7	23	0	245,837	85.7
5. 2017	292,628	235,268	1,627	0.7	236,895	81.0	35,696	223	272,814	93.2

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves.....	.0								
2. Additional policy reserves (a).....	.0								
3. Reserve for future contingent benefits.....	.0								
4. Reserve for rate credits or experience rating refunds (including \$ for investment income).....	.0								
5. Aggregate write-ins for other policy reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Totals (gross) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
7. Reinsurance ceded .....	.0								
8. Totals (Net) (Page 3, Line 4)	0	0	0	0	0	0	0	0	0
9. Present value of amounts not yet due on claims .....	.0	NONE							
10. Reserve for future contingent benefits .....	.0								
11. Aggregate write-ins for other claim reserves .....	.0								
12. Totals (gross) .....	.0								
13. Reinsurance ceded .....	.0								
14. Totals (Net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes \$ premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$728,301 for occupancy of own building)	1,428	18,048	832,781		852,257
2. Salaries, wages and other benefits	665,513	667,885	7,153,030		8,486,428
3. Commissions (less \$ceded plus \$assumed)					0
4. Legal fees and expenses		343	2,278		2,621
5. Certifications and accreditation fees			97,652		97,652
6. Auditing, actuarial and other consulting services	394	4,981	363,208		368,583
7. Traveling expenses		1,019	83,271		84,290
8. Marketing and advertising		570	319,740		320,310
9. Postage, express and telephone	206	2,603	192,915		195,724
10. Printing and office supplies	196	2,475	400,042		402,713
11. Occupancy, depreciation and amortization	111	1,404	175,597		177,112
12. Equipment					0
13. Cost or depreciation of EDP equipment and software			148,183		148,183
14. Outsourced services including EDP, claims, and other services		154,469	2,657,679		2,812,148
15. Boards, bureaus and association fees	69	872	245,560		246,501
16. Insurance, except on real estate			176,668		176,668
17. Collection and bank service charges		217	43,517		43,734
18. Group service and administration fees			213,185		213,185
19. Reimbursements by uninsured plans					0
20. Reimbursements from fiscal intermediaries					0
21. Real estate expenses	1,308	16,523	128,041		145,872
22. Real estate taxes	11	143	131,974		132,128
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes			1,817,952		1,817,952
23.2 State premium taxes					0
23.3 Regulatory authority licenses and fees					0
23.4 Payroll taxes	42,944	43,097	461,564		547,605
23.5 Other (excluding federal income and real estate taxes)					0
24. Investment expenses not included elsewhere				23,352	23,352
25. Aggregate write-ins for expenses	0	0	872,838	0	872,838
26. Total expenses incurred (Lines 1 to 25)	712,180	914,649	16,517,675	23,352	(a) .....18,167,856
27. Less expenses unpaid December 31, current year		223,000	2,081,390		2,304,390
28. Add expenses unpaid December 31, prior year	0	228,000	2,298,329	0	2,526,329
29. Amounts receivable relating to uninsured plans, prior year	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	712,180	919,649	16,734,614	23,352	18,389,795
DETAILS OF WRITE-INS					
2501. MPCA - Outreach Program			659,221		659,221
2502. SIM PCMH			213,617		213,617
2503.					0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. Totals (Line 2501 through 2503 plus 2598) (Line 25 above)	0	0	872,838	0	872,838

(a) Includes management fees of \$10,353,980 to affiliates and \$to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1	2
	Collected During Year	Earned During Year
1. U.S. Government bonds	(a) .....	.....
1.1 Bonds exempt from U.S. tax	(a) .....	.....
1.2 Other bonds (unaffiliated)	(a) .....198,678	.....234,887
1.3 Bonds of affiliates	(a) .....0	.....
2.1 Preferred stocks (unaffiliated)	(b) .....0	.....
2.11 Preferred stocks of affiliates	(b) .....0	.....
2.2 Common stocks (unaffiliated) .....	.....0	.....
2.21 Common stocks of affiliates .....	.....0	.....
3. Mortgage loans	(c) .....	.....
4. Real estate	(d) .....728,301	.....728,301
5. Contract loans .....	.....	.....
6. Cash, cash equivalents and short-term investments	(e) .....248,703	.....257,344
7. Derivative instruments	(f) .....	.....
8. Other invested assets .....	.....	.....
9. Aggregate write-ins for investment income .....	.....0	.....0
10. Total gross investment income	1,175,682	1,220,532
11. Investment expenses		(g) .....23,352
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i) .....354,230
15. Aggregate write-ins for deductions from investment income .....		.....0
16. Total deductions (Lines 11 through 15) .....		.....377,582
17. Net investment income (Line 10 minus Line 16)		842,950
DETAILS OF WRITE-INS		
0901. ....	.....	.....
0902. ....	.....	.....
0903. ....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0
1501. ....	.....	.....
1502. ....	.....	.....
1503. ....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page .....	.....	.....0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above) .....	.....	0

(a) Includes \$accrual of discount less \$40,436 amortization of premium and less \$19,516 paid for accrued interest on purchases.
(b) Includes \$accrual of discount less \$amortization of premium and less \$0 paid for accrued dividends on purchases.
(c) Includes \$0 accrual of discount less \$0 amortization of premium and less \$paid for accrued interest on purchases.
(d) Includes \$728,301 for company's occupancy of its own buildings; and excludes \$interest on encumbrances.
(e) Includes \$accrual of discount less \$84,979 amortization of premium and less \$paid for accrued interest on purchases.
(f) Includes \$accrual of discount less \$amortization of premium.
(g) Includes \$investment expenses and \$investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes \$interest on surplus notes and \$interest on capital notes.
(i) Includes \$354,230 depreciation on real estate and \$depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds .....			.....0	.....	.....
1.1 Bonds exempt from U.S. tax .....			.....0	.....	.....
1.2 Other bonds (unaffiliated) .....			.....0	.....	.....
1.3 Bonds of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.1 Preferred stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.11 Preferred stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.2 Common stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.21 Common stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
3. Mortgage loans .....	.....0	.....0	.....0	.....0	.....0
4. Real estate .....	.....0	.....0	.....0	.....	.....0
5. Contract loans .....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments .....	.....	.....	.....0	.....0	.....0
7. Derivative instruments .....	.....	.....	.....0	.....	.....
8. Other invested assets .....	.....0	.....0	.....0	.....0	.....0
9. Aggregate write-ins for capital gains (losses) .....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses)	0	0	0	0	0
DETAILS OF WRITE-INS					
0901. ....	.....	.....	.....0	.....	.....
0902. ....	.....	.....	.....0	.....	.....
0903. ....	.....	.....	.....0	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
15.3 Accrued retrospective premiums and contracts subject to redetermination	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset.....	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software.....	48,807	68,069	19,262
21. Furniture and equipment, including health care delivery assets.....	652,639	773,060	120,421
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable.....	1,635,264	0	(1,635,264)
25. Aggregate write-ins for other-than-invested assets	988,626	991,076	2,450
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	3,325,336	1,832,205	(1,493,131)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	3,325,336	1,832,205	(1,493,131)
DETAILS OF WRITE-INS			
1101.		0	0
1102.		0	0
1103.		0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501. Prepaid Expenses.....	938,715	922,804	(15,911)
2502. Vehicles.....	49,911	68,272	18,361
2503.		0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	988,626	991,076	2,450

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations.....	47,852	49,212	49,795	48,627	48,579	588,689
2. Provider Service Organizations.....	.0					
3. Preferred Provider Organizations.....	.0					
4. Point of Service.....	.0					
5. Indemnity Only.....	.0					
6. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0	.0
7. Total	47,852	49,212	49,795	48,627	48,579	588,689
DETAILS OF WRITE-INS						
0601. ....	.0					
0602. ....	.0					
0603. ....	.0					
0698. Summary of remaining write-ins for Line 6 from overflow page .....	.0	.0	.0	.0	.0	.0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices.

The accompanying financial statements of Upper Peninsula Health Plan, LLC (the “Company”) have been prepared in conformity with accounting practices prescribed or permitted by the state of Michigan for determining and reporting the financial conditions and results of operations of an insurance company for determining its solvency under Michigan Insurance law. The National Association of Insurance Commissioners (“NAIC”) Accounting Practices and Procedures Manual, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Michigan.

A reconciliation of the Company’s net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the DIFS is shown below:

		SSAP#	F/S Page	F/S Line	2017	2016
NET INCOME						
(1)	Upper Peninsula Health Plan, LLC state basis (Page 4, Line 32, Columns 2 & 3)				\$ 11,959,959	\$ 8,876,797
(2)	State Prescribed Practices that are an increase/(decrease) from NAIC SAP:	N/A				
(3)	State Permitted Practices that are an increase/(decrease) from NAIC SAP:	N/A				
(4)	NAIC SAP (1-2-3 = 4)				\$ 11,959,959	\$ 8,876,797
SURPLUS						
(5)	Upper Peninsula Health Plan, LLC state Basis (Page 3, Line 33, Columns 3 & 4)				\$ 55,151,826	\$ 44,684,997
(6)	State Prescribed Practices that are an increase/(decrease) from NAIC SAP:	N/A				
(7)	State Permitted Practices that are an increase/(decrease) from NAIC SAP:	N/A				
(8)	NAIC SAP (5-6-7 = 8)				\$ 55,151,826	\$ 44,684,997

B. Use of Estimates in the Preparation of the Financial Statements

The estimates used in the preparation of the financial statements conformed to the Annual Statement Instructions and Accounting Practices and Procedures manual.

C. Accounting Policy

In addition, the Company applies the following accounting policies:

- (1) Short-term Investments – stated at amortized cost.
- (2) Mandatory Convertible Securities & SVO-Identified investments - NONE
- (3) Common Stocks – NONE
- (4) Preferred Stocks – NONE
- (5) Mortgage loans on real estate – NONE
- (6) Loan-backed securities – NONE
- (7) Investments in subsidiaries, controlled or affiliated companies – NONE
- (8) Investments in joint ventures, partnerships and limited liability companies – NONE
- (9) Derivatives – NONE
- (10) Investment income in premium deficiency calculation – NONE
- (11) Claims Unpaid – The claims unpaid liability for incurred but unpaid and unreported claims is accrued in the period during which the services are provided, and includes actuarial estimates of services performed that have not been reported to Upper Peninsula Health Plan, LLC by providers.
- (12) Fixed Asset Capitalization – there was no change in the capitalization policy from prior periods.
- (13)Pharmaceutical Rebate Receivables – NONE

D. Going Concern – After evaluating the entity’s ability to continue as a going concern, management was not aware of any conditions or events which raised substantial doubts concerning the entity’s ability to continue as a going concern as of the date of the filing of this statement.

Note 2 - Accounting Changes and Corrections of Errors

NONE

NOTES TO FINANCIAL STATEMENTS

Note 3 - Business Combinations and Goodwill

NONE

Note 4 - Discontinued Operations

NONE

Note 5 - Investments

- A. Mortgage Loans – NONE
- B. Debt Restructuring – NONE
- C. Reverse Mortgages – NONE
- D. Loan-Backed Securities – NONE
- E. Repurchase Agreements and/or Securities Lending Transactions – NONE
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing – NONE
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing – NONE
- H. Repurchase Agreements Transactions Accounted for as a Sale – NONE
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale - NONE
- J. Real Estate – NONE
- K. Low-Income Housing Tax Credits – NONE
- L. Restricted Assets

As of December 31, 2017, the Company maintained on deposit with Wells Fargo \$1,001,216 held as cash.

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	1	2	3	4	5	6	7
	Total Gross (Admitted & Nonadmitted) Restricted from Current Year	Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Nonadmitted Restricted	Total Current Year Admitted Restricted (1 minus 4)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	Admitted Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown							
b. Collateral held under security lending agreements							
c. Subject to repurchase agreements							
d. Subject to reverse repurchase agreements							
e. Subject to dollar repurchase agreements							
f. Subject to dollar reverse repurchase agreements							
g. Placed under option contracts							
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock							
i. FHLB capital stock							
j. On deposit with states							
k. On deposit with other regulatory bodies	1,001,216	1,000,892	324	-	1,001,216	1.03%	1.03%
l. Pledged as collateral to FHLB (including assets backing funding agreements)							
m. Pledged as collateral not captured in other categories							
n. Other restricted assets							
o. Total Restricted Assets	\$ 1,001,216	\$ 1,000,892	\$ 324	\$ -	\$ 1,001,216	1.03%	1.03%

- M. Working Capital Finance Investments – NONE
- N. Offsetting and Netting of Assets and Liabilities – NONE
- O. Structured Notes – NONE
- P. 5* Securities = NONE

NOTES TO FINANCIAL STATEMENTS

- Q. Short Sales – NONE
- R. Prepayment Penalty and Acceleration Fees - NONE

Note 6 - Joint Ventures, Partnerships, and Limited Liability Companies

NONE

Note 7 – Investment Income

- A. All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans in default are excluded from surplus.
- B. The Company had no investment income due and accrued excluded from surplus.

Note 8 - Derivative Instruments

NONE

Note 9 - Income Taxes

NONE

Note 10-Information Concerning Parent, Subsidiaries, and Affiliates

- A. The Company is owned by thirteen healthcare organizations with each owning various percentages. The company has one ultimate controlling person (UCP), LifePoint Health, Inc. In that, one entity owns greater than 10% of the company’s non-voting stock:

LifePoint Health, Inc controls 56.41% through its ownership of DLP Marquette Health Plan, LLC, and controls 5.14% through its ownership of Acquisition Bell Hospital.

LifePoint Health, Inc’s subsidiary, LifePoint Holdings 2, LLC owns 100% of Portage Holding Company, LLC, which controls 10.05% of Upper Peninsula Health Plan’s common stock
- B. NONE.
- C. The Plan paid a management fee of \$10,353,980 to its management company, Upper Peninsula Managed Care, LLC through December 31, 2017. All transactions are covered under Note 10-Part F.
- D. Amounts due to/from Upper Peninsula Health Plan and affiliates totaled \$0. Intercompany receivables and payables are generally settled on a monthly basis.
- E. Affiliate Guarantees – NONE
- F. The Plan has a Management Service Agreement with its affiliate. This agreement spells out all administrative services provided by the company and includes methods of reimbursement for services performed.
- G. There are no shares of voting common stock in the Company. All 100 voting shares were recalled as a result of a change in control effective April 1, 2004.
- H. Ownership in upstream affiliate or parent – NONE
- I. Investment in subsidiary, controlled or affiliated (SCA) entity that exceeds 10% of the admitted assets of the insurer – NONE
- J. Investment impaired – NONE
- K. Investment in a foreign insurance subsidiary – NONE
- L. Investment in downstream noninsurance holding company – NONE
- M. SCA Investments - NONE
- N. Investment in Insurance SCA’s - NONE

Note 11-Debt

NONE

Note 12-Retirement Plans, Deferred Compensation, Postemployment Benefits & Compensated Absences, and other Postretirement Benefit Plans

NOTES TO FINANCIAL STATEMENTS

NONE

Note 13-Capital, Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganizations

- (1) Common Stock - NONE
- (2) Preferred Stock – NONE
- (3) Dividend Restrictions – The laws of the State of Michigan limit the payment and declaration of extraordinary and ordinary dividends. As set forth in the Michigan Insurance Code, dividends shall be declared or paid only from earned surplus, unless DIFS approves the dividend prior to payment. The Plan has adopted a policy where Dividend distribution is restricted to a level of 600% of the authorized control level.
- (4) Dividends paid – NONE
- (5) Subject to the limitations of (3) above, no restrictions have been placed on the portion of the Company's profits that may be paid as ordinary dividends to stockholders.
- (6) Restrictions placed on unassigned funds (surplus) – NONE
- (7) Advances to surplus not repaid – NONE
- (8) Stock held for special purposes – NONE
- (9) Changes in balances of special surplus funds from the prior period – NONE
- (10) Unassigned funds (surplus) represented or reduced – NONE
- (11) Surplus notes – NONE
- (12) Impact of the restatement in a quasi-reorganization – NONE
- (13) The effective date of a quasi-reorganization – NONE

Note 14-Liabilities, Contingencies and Assessments

NONE

Note 15-Leases

NONE

Note 16-Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

NONE

Note 17-Sale, Transfer, and Servicing of Financial Assets and Extinguishments of Liabilities

NONE

Note 18-Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

- A. ASO Plans – NONE
- B. ASC Plans – NONE
- C. Medicare or Similarly Structured Cost Based Reimbursement Contracts
 - (1) The Company records no revenue explicitly attributable to the cost share and reinsurance components of administered Medicare products.
 - (2) As of December 31, 2017, the Company has recorded a receivable from CMS of \$408,000 related to the risk sharing and reinsurance components of administered Medicare products. The Company does not have any additional receivables greater than 10% of the Company's amounts receivable from uninsured accident and health plans or \$10,000.
 - (3) In connection with the Company's Medicare Part D cost based reimbursement portion of the contract, the Company has recorded no allowances and reserves for adjustment of recorded revenues at December 31, 2017.
 - (4) The Company has made no adjustment to revenue resulting from audit of receivables related to revenues recorded in the prior period.

Note 19-Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

NOTES TO FINANCIAL STATEMENTS

NONE

Note 20-Fair Value Measurements

In general, the Level 1 fair values are established from quoted (unadjusted) market prices in active markets for identical assets and liabilities that the Company has the ability to access.

- A. Fair Value at Reporting Date
1. Fair Value Measurements at Reporting Date – NONE

2. Fair Value Measurements in Level 3 – NONE

3. The Company’s policy for determining transfers between levels are recognized and determined at the end of the reporting period.

4. Securities valued at Level 3 – NONE

5. Derivative assets and liabilities - NONE
- B. Fair value information disclosed under SSAP No. 100 combined with fair value information under other accounting pronouncements – NONE
- C. Aggregate Fair Value of all Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Bonds	\$ 21,155,963	\$ 21,246,956	\$ 21,246,956	\$ -	\$ -	\$ -
CD's	\$ 8,749,517	\$ 8,750,000	\$ 8,750,000			
Total	\$ 29,905,480	\$ 29,996,956	\$ 29,996,956	\$ -	\$ -	\$ -

- D. Not practicable to estimate fair value - None

Note 21 – Other Items

- A. Unusual or Infrequent Items - NONE
- B. Troubled Debt Restructuring - NONE
- C. Other Disclosures – NONE
- D. Business Interruption Insurance Recoveries – NONE
- E. State Transferable and Non-transferable Tax Credits – NONE
- F. Subprime-Mortgage-Related Risk Exposure – NONE
- G. Retained Assets – NONE
- H. Insurance-Linked Securities – NONE

Note 22-Events Subsequent

Type I – Recognized subsequent events – NONE

Subsequent events have been considered through March 1, 2018 for the statutory statement year ending December 31, 2017.

Type II – Nonrecognized subsequent events

On January 1, 2018, the Company will be subject to an annual fee under Section 9010 of the federal Affordable Care Act (ACA). This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity’s net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity’s portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1 of the year the fee is due. As of December 31, 2017, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2018, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2018 in the amount of \$4,252,910. This amount is reflected in special surplus. Reporting the ACA assessment as of December 31, 2017, would not have triggered an RBC action level.

- Current Year

Prior Year
- A. Did the Reporting entity write accident and health insurance premium that is subject to Section 9010

NOTES TO FINANCIAL STATEMENTS

of the federal Affordable Care Act (YES/NO)	YES	YES
B. ACA fee assessment payable for the upcoming year	\$ 4,252,910	\$ 0
C. ACA fee assessment paid	\$ 0	\$ 3,394,233
D. Premium written subject to ACA 9010 assessment	\$ 257,361,273	\$ 0
E. Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 14)	\$ 55,151,825	\$ 44,753,065
F. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	\$ 50,898,915	\$ 44,753,065
G. Authorized Control Level after surplus adjustment (Five-Year Historical Line 15)	\$ 9,684,771	\$ 9,098,472
H. Would reporting the ACA assessment as of Dec 31, 2017 trigger an RBC action level (YES/NO)?	NO	NO

Note 23-Reinsurance

- A. The Company limits a portion of its medical claims liability through stop-loss insurance. Under the terms of this agreement, the insurance company will reimburse approximately 90% of the cost of each member’s applicable annual services in excess of \$150,000 (up to a maximum of \$2,000,000) once an annual aggregate deductible of approximately \$1,400,000 is reached. There was no uncollectible reinsurance written off during the quarter.

Section 1 – General Interrogatories

- (1) Are any of the reinsurers listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the Company?

Yes () No (X)

- (2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes () No (X)

Section 2 - Ceded Reinsurance Report – Part A

- (1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?

Yes () No (X)

- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes () No (X)

Section 3 – Ceded Reinsurance Report – Part B

- (1) The estimated amount of the aggregate reduction in surplus, of termination of ALL reinsurance agreements, by either party, as of the date of this statement is zero.

- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?

Yes () No (X)

- B. Uncollectible Reinsurance – NONE
- C. Commutation of Ceded Reinsurance – NONE
- D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation - NONE

Note 24-Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. The Company estimates accrued retrospective premium adjustments for its Medicare Part D Risk Corridor adjustment based on the contract with CMS and actuarial estimates.
- B. The Company records accrued retrospective premium as an adjustment to earned premium.

NOTES TO FINANCIAL STATEMENTS

- C. The amount of net premiums written by the Company at December 31, 2017 that are subject to retrospective rating features was \$97,892,977 or 34% of the total net premiums written. No other net premiums written by the Company are subject to retrospective rating features.
- D. Medical loss ratio rebates required pursuant to the Public Health Service Act – NONE
- E. Risk Sharing Provisions of the Affordable Care Act – NONE

Note 25-Change in Incurred Claims and Claim Adjustment Expenses

- A. Reserves as of December 31, 2016 were \$34,721,252 for unpaid claims including \$240,000 for unpaid claims adjustment expenses. As of December 31, 2017, \$29,022,601 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. There are \$23,000 reserves remaining for prior years. Therefore, there has been a \$5,675,651 favorable prior year development from December 31, 2016 to December 31, 2017. Original estimates are increased or decreased as additional information becomes known regarding individual claims.
- B. There have been no significant changes in the methodologies or assumptions used in calculating the liability for unpaid losses and loss adjustment expenses.

Note 26-Intercompany Pooling Arrangements

NONE

Note 27-Structured Settlements

NONE

Note 28-Health Care Receivables

At December 31, 2017 the identified pharmacy rebates recorded as healthcare receivables are \$1,635,264.

A. Pharmaceutical Rebate Receivables					
Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2017	1,635,264	0	0	817,633	0
9/30/2017	1,660,904	0	0	1,276,103	98,106
6/30/2017	1,420,745	0	0	675,751	0
3/31/2017	858,068	0	0	0	1,061,451
12/31/2016	0	0	0	0	1,380,457
9/30/2016	0	0	0	0	91,614
6/30/2016	0	0	0	0	454,343
3/31/2016	0	0	0	0	663,171
12/31/2015	0	0	0	80,808	76,046
9/30/2015	0	0	0	0	48,192
6/30/2015	0	0	0	52,837	99,473
3/31/2015	0	0	0	0	83,586

B. Risk Sharing Receivables – NONE

Note 29-Participating Policies

NONE

Note 30-Premium Deficiency Reserves

1.

Liability carried for premium deficiency reserves

\$0
2.

Date of the most recent evaluation of this liability

12/31/17
3.

Was anticipated investment income utilized in the calculation? (Yes/No)

No

Note 31-Anticipated Salvage and Subrogation

The company took into account anticipated subrogation in its determination of the liability for unpaid claims/losses and reduced such liability by \$116,364.

NOTES TO FINANCIAL STATEMENTS

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes ☒ No ☐
- If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes ☒ No ☐ N/A ☐
- 1.3

State Regulating?

MICHIGAN.....
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒
- 2.2

If yes, date of change:

.....
- 3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

.....12/31/2014
- 3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

.....12/31/2014
- 3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

.....04/06/2016
- 3.4

By what department or departments? MICHIGAN DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES.....
- 3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☒ No ☐ N/A ☐
- 3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☒ No ☐ N/A ☐
- 4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes ☐ No ☒

4.12 renewals? Yes ☐ No ☒
- 4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes ☐ No ☒

4.22 renewals? Yes ☐ No ☒
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒
- 5.2

If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....
.....
.....
.....
.....

- 6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes ☐ No ☒
- 6.2

If yes, give full information
- 7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes ☐ No ☒
- 7.2

If yes,

7.21 State the percentage of foreign control0.0

1 Nationality	2 Type of Entity
.....
.....
.....
.....
.....

GENERAL INTERROGATORIES

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]

8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
WIPFLI, 10000 INNOVATION DRIVE, SUITE 250, MILWAUKEE, WI 53226.....

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []

10.6 If the response to 10.5 is no or n/a, please explain

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
MILLIMAN, 15800 BLUEMOUND RD., SUITE 400, BROOKFIELD, WI 53005, ACTUARY.....

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]

12.11 Name of real estate holding company

12.12 Number of parcels involved0

12.13 Total book/adjusted carrying value \$.....

12.2 If yes, provide explanation

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
n/a

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []

a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

c. Compliance with applicable governmental laws, rules and regulations;

d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

e. Accountability for adherence to the code.

14.11 If the response to 14.1 is no, please explain:

14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]

14.21 If the response to 14.2 is yes, provide information related to amendment(s)

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?
- Yes [] No [X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1	2	3	4
American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?
- Yes [X] No []
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?
- Yes [X] No []
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?
- Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?
- Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$.....
- 20.12 To stockholders not officers \$.....
- 20.13 Trustees, supreme or grand (Fraternal only) \$.....
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers \$.....
- 20.22 To stockholders not officers \$.....
- 20.23 Trustees, supreme or grand (Fraternal only) \$.....
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?
- Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$.....
- 21.22 Borrowed from others \$.....
- 21.23 Leased from others \$.....
- 21.24 Other \$.....
- 22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments?
- Yes [] No [X]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$.....
- 22.22 Amount paid as expenses \$.....
- 22.23 Other amounts paid \$.....
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?
- Yes [] No [X]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:
- \$.....

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)
- Yes [X] No []
- 24.02 If no, give full and complete information, relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?
- Yes [] No [] NA [X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.
- \$.....
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.
- \$.....
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?
- Yes [] No [] NA [X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?
- Yes [] No [] NA [X]
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?
- Yes [] No [] NA [X]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....0
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....0
- 24.103 Total payable for securities lending reported on the liability page \$.....0

GENERAL INTERROGATORIES

- 25.1

Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03).

Yes [X] No []
- 25.2

If yes, state the amount thereof at December 31 of the current year:

25.21

Subject to repurchase agreements

\$

25.22

Subject to reverse repurchase agreements

\$

25.23

Subject to dollar repurchase agreements

\$

25.24

Subject to reverse dollar repurchase agreements

\$

25.25

Placed under option agreements

\$

25.26

Letter stock or securities restricted as to sale – excluding FHLB Capital Stock

\$

25.27

FHLB Capital Stock

\$

25.28

On deposit with states

\$

25.29

On deposit with other regulatory bodies

\$1,001,216

25.30

Pledged as collateral – excluding collateral pledged to an FHLB

\$

25.31

Pledged as collateral to FHLB – including assets backing funding agreements

\$

25.32

Other

\$

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....
.....
.....
.....
.....

- 26.1

Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes [] No [X]
- 26.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement.

Yes [] No [] N/A []
- 27.1

Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes [] No [X]
- 27.2

If yes, state the amount thereof at December 31 of the current year.

\$
28.

Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity’s offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping agreements of the NAIC *Financial Condition Examiners Handbook*?

Yes [X] No []

28.01 For agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian’s Address
WELLS FARGO INSTITUTIONAL TRUST SERVICES.....	101 W. WASHINGTON ST., MARQUETTE, MI 49855.....

28.02 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....
.....
.....

- 28.03

Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes [] No [X]
- 28.04

If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....
.....
.....

GENERAL INTERROGATORIES

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

1 Name of Firm or Individual	2 Affiliation
Dennis Smith, CEO.....	I.....
.....
.....

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's assets? Yes [] No [X]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes [] No [X]

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
.....
.....
.....

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes [] No [X]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....
.....
.....
29.2999 TOTAL		0

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....
.....
.....

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	29,993,957	29,905,480	(88,477)
30.2 Preferred Stocks.....	0	0	0
30.3 Totals	29,993,957	29,905,480	(88,477)

30.4 Describe the sources or methods utilized in determining the fair values:
Fair values are based on quoted market prices provided by Clearwater.....

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [X] No []

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [X] No []

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes [X] No []

32.2 If no, list exceptions:

GENERAL INTERROGATORIES

33. By self-designating 5*GI securities, the reporting entity is certifying the following elements of each self-designated 5*GI security:
- a.Documentation necessary to permit a full credit analysis of the security does not exist.
 - b.Issuer or obligor is current on all contracted interest and principal payments.
 - c.The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5*GI securities? Yes [] No [X]

OTHER

- 34.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$0
- 34.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$.....
.....	\$.....
.....	\$.....

- 35.1 Amount of payments for legal expenses, if any? \$438
- 35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
KITCH DRUTCHAS WAGNER VALUTUTTI & SHERBR.....	\$.....438

- 36.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$0
- 36.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$.....
.....	\$.....
.....	\$.....

GENERAL INTERROGATORIES
PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]
1.2 If yes, indicate premium earned on U.S. business only. \$0
1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$
1.31 Reason for excluding
1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above \$
1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$0
1.6 Individual policies:
Most current three years:
1.61 Total premium earned \$0
1.62 Total incurred claims \$0
1.63 Number of covered lives0
All years prior to most current three years:
1.64 Total premium earned \$0
1.65 Total incurred claims \$0
1.66 Number of covered lives0
1.7 Group policies:
Most current three years:
1.71 Total premium earned \$0
1.72 Total incurred claims \$0
1.73 Number of covered lives0
All years prior to most current three years:
1.74 Total premium earned \$0
1.75 Total incurred claims \$0
1.76 Number of covered lives0

2. Health Test:

		1		2
		Current Year		Prior Year
2.1	Premium Numerator	\$292,623,162	\$	.....283,599,869
2.2	Premium Denominator	\$292,623,162	\$	.....283,599,869
2.3	Premium Ratio (2.1/2.2)	.....1.000		.....1.000
2.4	Reserve Numerator	\$35,719,043	\$	.....34,721,252
2.5	Reserve Denominator	\$35,719,043	\$	.....34,721,252
2.6	Reserve Ratio (2.4/2.5)	.....1.000		.....1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [] No [X]
3.2 If yes, give particulars:
4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes [X] No []
4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [] No [X]
5.1 Does the reporting entity have stop-loss reinsurance? Yes [X] No []
5.2 If no, explain:
5.3 Maximum retained risk (see instructions)
5.31 Comprehensive Medical \$210,000
5.32 Medical Only \$
5.33 Medicare Supplement \$
5.34 Dental and Vision \$
5.35 Other Limited Benefit Plan \$
5.36 Other \$
6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes [X] No []
7.2 If no, give details
8. Provide the following information regarding participating providers:
8.1 Number of providers at start of reporting year1,370
8.2 Number of providers at end of reporting year1,558
9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [] No [X]
9.2 If yes, direct premium earned:
9.21 Business with rate guarantees between 15-36 months
9.22 Business with rate guarantees over 36 months

GENERAL INTERROGATORIES
PART 2 - HEALTH INTERROGATORIES

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes ☒ No ☐
- 10.2 If yes:

10.21 Maximum amount payable bonuses\$.....

10.22 Amount actually paid for year bonuses\$.....

10.23 Maximum amount payable withholds\$.....106,304

10.24 Amount actually paid for year withholds\$.....
- 11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,Yes ☐ No ☒

11.13 An Individual Practice Association (IPA), or,Yes ☒ No ☐

11.14 A Mixed Model (combination of above) ?Yes ☐ No ☒
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements?

Yes ☒ No ☐
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus.

MICHIGAN.....
- 11.4 If yes, show the amount required.

\$.....19,369,542
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes ☐ No ☒
- 11.6 If the amount is calculated, show the calculation

200% OF RBC AUTHORIZED CONTROL LEVEL IS REQUIRED (9,684,771 X 2 = 19,369,542)
12. List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
REGION 8 WHICH INCLUDES ALL COUNTIES IN MICHIGAN'S UPPER PENINSULA. REGION 1 FOR HEALTHY MIGHICHAN PLAN, WHICH ALSO INCLUDES ALL COUNTIES IN MICHIGAN'S UPPER PENINSULA
.....
.....
.....
.....

- 13.1 Do you act as a custodian for health savings accounts?

Yes ☐ No ☒
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date.

\$.....
- 13.3 Do you act as an administrator for health savings accounts?

Yes ☐ No ☒
- 13.4 If yes, please provide the balance of the funds administered as of the reporting date.

\$.....
- 14.1 Are any of the captive affiliates reported on Schedule S, Part 3 as authorized reinsurers?

Yes ☐ No ☐ N/A ☒
- 14.2 If the answer to 14.1 is yes, please provide the following:

1	2	3	4	Assets Supporting Reserve Credit		
				5	6	7
Company Name	NAIC Company Code	Domiciliary Jurisdiction	Reserve Credit	Letters of Credit	Trust Agreements	Other

15. Provide the following for Individual ordinary life insurance* policies (U.S. business Only) for the current year:

15.1 Direct Premium Written (prior to reinsurance ceded)\$.....

15.2 Total incurred claims\$.....

15.3 Number of covered lives.....

*Ordinary Life Insurance Includes
Term (whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without Secondary Guarantee)
Universal Life (with or without Secondary Guarantee)
Variable Universal Life (with or without Secondary Guarantee)

FIVE - YEAR HISTORICAL DATA

	1 2017	2 2016	3 2015	4 2014	5 2013
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	94,472,258	82,642,784	77,438,245	46,194,185	31,874,040
2. Total liabilities (Page 3, Line 24)	39,320,433	37,957,787	41,176,495	22,686,918	12,630,119
3. Statutory minimum capital and surplus requirement	19,369,542	18,196,390	15,420,516	9,491,066	7,541,646
4. Total capital and surplus (Page 3, Line 33)	55,151,825	44,684,997	36,261,750	23,507,265	19,243,921
Income Statement (Page 4)					
5. Total revenues (Line 8)	292,798,610	283,602,602	248,058,202	150,403,761	107,149,600
6. Total medical and hospital expenses (Line 18)	263,537,097	245,734,803	209,081,564	128,365,246	98,299,494
7. Claims adjustment expenses (Line 20)	1,626,829	1,576,489	1,357,156	1,140,338	897,330
8. Total administrative expenses (Line 21)	16,517,675	27,829,621	24,713,442	16,445,926	7,323,078
9. Net underwriting gain (loss) (Line 24)	11,117,009	8,461,689	12,906,040	4,452,251	629,698
10. Net investment gain (loss) (Line 27)	842,950	415,108	167,312	111,682	72,946
11. Total other income (Lines 28 plus 29)	0	0	0	0	0
12. Net income or (loss) (Line 32)	11,959,959	8,876,797	13,073,352	4,563,933	702,644
Cash Flow (Page 6)					
13. Net cash from operations (Line 11).....	13,583,088	(1,643,361)	29,077,891	14,264,053	2,022,716
Risk-Based Capital Analysis					
14. Total adjusted capital.....	55,151,825	44,684,997	36,261,750	23,507,265	19,243,921
15. Authorized control level risk-based capital.....	9,684,771	9,098,195	7,711,017	4,745,623	3,770,823
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	48,579	47,852	47,112	40,097	31,097
17. Total members months (Column 6, Line 7)	588,689	566,438	544,609	448,122	368,060
Operating Percentage (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	90.1	86.6	84.4	85.4	91.7
20. Cost containment expenses	0.2	0.2	0.2	0.0	0.0
21. Other claims adjustment expenses	0.3	0.4	0.4	0.7	0.8
22. Total underwriting deductions (Line 23)	96.3	97.0	94.9	97.1	99.4
23. Total underwriting gain (loss) (Line 24)	3.8	3.0	5.2	3.0	0.6
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	29,045,601	30,707,234	15,962,510	10,657,144	10,541,550
25. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)]	34,721,253	34,893,058	20,850,704	11,805,586	12,332,258
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate	0	0	0	0	0
31. All other affiliated	0	0	0	0	0
32. Total of above Lines 26 to 31.....	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3 - *Accounting Changes and Correction of Errors*?.....Yes [] No []

If no, please explain

.....

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

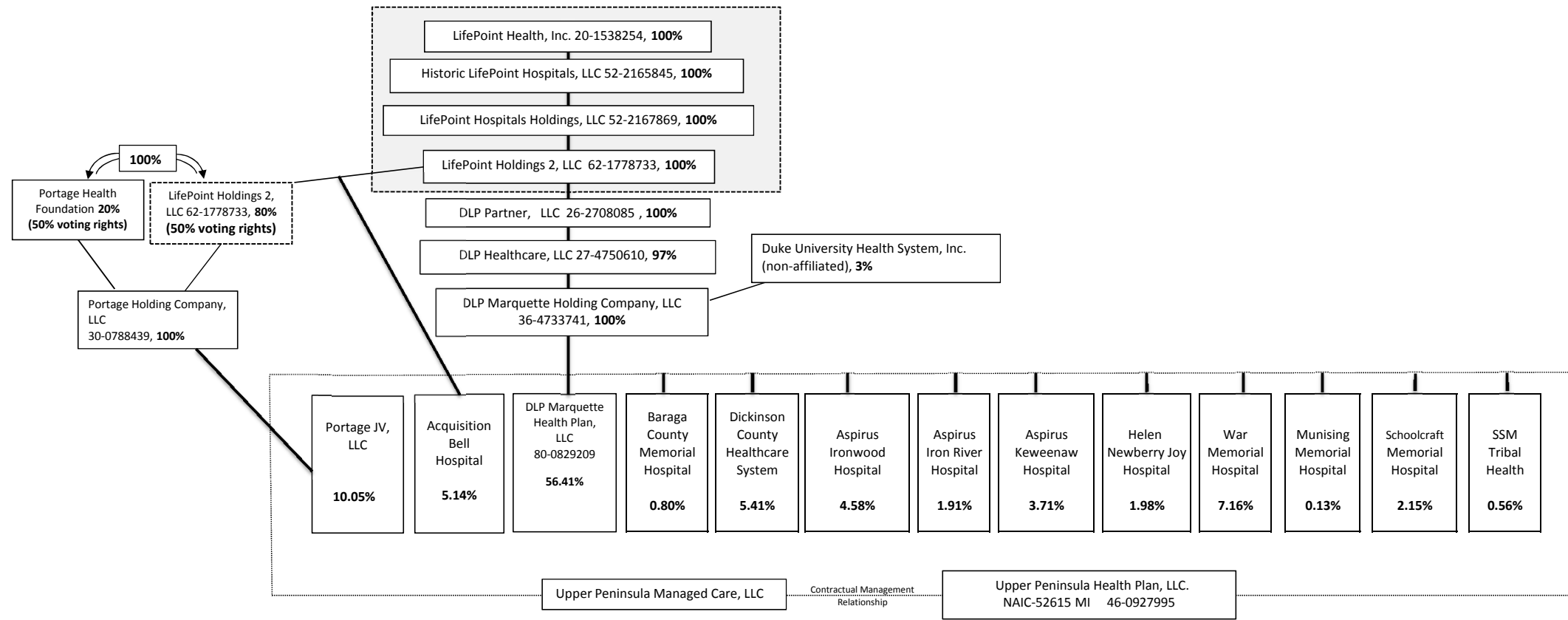
			1	Direct Business Only							
			2	3	4	5	6	7	8	9	
State, Etc.			Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Consideration s	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama	AL	N							0	0
2.	Alaska	AK	N							0	0
3.	Arizona	AZ	N							0	0
4.	Arkansas	AR	N							0	0
5.	California	CA	N							0	0
6.	Colorado	CO	N							0	0
7.	Connecticut	CT	N							0	0
8.	Delaware	DE	N							0	0
9.	District of Columbia	DC	N							0	0
10.	Florida	FL	N							0	0
11.	Georgia	GA	N							0	0
12.	Hawaii	HI	N							0	0
13.	Idaho	ID	N							0	0
14.	Illinois	IL	N							0	0
15.	Indiana	IN	N							0	0
16.	Iowa	IA	N							0	0
17.	Kansas	KS	N							0	0
18.	Kentucky	KY	N							0	0
19.	Louisiana	LA	N							0	0
20.	Maine	ME	N							0	0
21.	Maryland	MD	N							0	0
22.	Massachusetts	MA	N							0	0
23.	Michigan	MI	L		97,685,821	195,437,726				293,123,547	0
24.	Minnesota	MN	N							0	0
25.	Mississippi	MS	N							0	0
26.	Missouri	MO	N							0	0
27.	Montana	MT	N							0	0
28.	Nebraska	NE	N							0	0
29.	Nevada	NV	N							0	0
30.	New Hampshire	NH	N							0	0
31.	New Jersey	NJ	N							0	0
32.	New Mexico	NM	N							0	0
33.	New York	NY	N							0	0
34.	North Carolina	NC	N							0	0
35.	North Dakota	ND	N							0	0
36.	Ohio	OH	N							0	0
37.	Oklahoma	OK	N							0	0
38.	Oregon	OR	N							0	0
39.	Pennsylvania	PA	N							0	0
40.	Rhode Island	RI	N							0	0
41.	South Carolina	SC	N							0	0
42.	South Dakota	SD	N							0	0
43.	Tennessee	TN	N							0	0
44.	Texas	TX	N							0	0
45.	Utah	UT	N							0	0
46.	Vermont	VT	N							0	0
47.	Virginia	VA	N							0	0
48.	Washington	WA	N							0	0
49.	West Virginia	WV	N							0	0
50.	Wisconsin	WI	N							0	0
51.	Wyoming	WY	N							0	0
52.	American Samoa	AS	N							0	0
53.	Guam	GU	N							0	0
54.	Puerto Rico	PR	N							0	0
55.	U.S. Virgin Islands	VI	N							0	0
56.	Northern Mariana Islands	MP	N							0	0
57.	Canada	CAN	N							0	0
58.	Aggregate other alien	OT	XXX	0	0	0	0	0	0	0	0
59.	Subtotal.....		XXX	0	97,685,821	195,437,726	0	0	0	293,123,547	0
60.	Reporting entity contributions for Employee Benefit Plans.....		XXX							0	
61.	Total (Direct Business)	(a)	1	0	97,685,821	195,437,726	0	0	0	293,123,547	0
DETAILS OF WRITE-INS											
58001.			XXX								
58002.			XXX								
58003.			XXX								
58998.	Summary of remaining write-ins for Line 58 from overflow page.....		XXX	0	0	0	0	0	0	0	0
58999.	Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)		XXX	0	0	0	0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

Explanation of basis of allocation by states, premiums by state, etc. Licensed in Michigan only.

(a) Insert the number of L responses except for Canada and other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



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